

RIDER, BENNETT, EGAN & ARUNDEL

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GENE F BENNETT
(1926 1983)

OF COUNSEL
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16626
RECORDATION NO _____ FILED 1425

2000 LINCOLN CENTRE
333 SOUTH SEVENTH STREET
MINNEAPOLIS, MINNESOTA 55402

NOV 27 1989 - 11 50 AM

INTERSTATE COMMERCE COMMISSION

TELEPHONE (612) 340-7951
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WRITER'S DIRECT DIAL NUMBER

340-8916

9--331A011

November 16, 1989

Interstate Commerce Commission
12th and Constitution N.W.
Washington, D.C. 20423

ATTENTION: Mildred Lee -- Room 2303

RE: Generation II Locomotives
Our File No. 5091/103

Dear Ms. Lee:

I have enclosed an original and one (1) copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U. S. Code.

This document is a Memorandum of Lease dated June 24, 1988. However, the actual lease term is to begin on or about July 14, 1989.

The names and addresses of the parties to the document are as follows:

LESSOR:

Generation II Locomotives, Inc.
A Minnesota Corporation
901 West 94th Street
Minneapolis, Minnesota 55420;

LESSEE:

Burlington Northern Railroad Company,
A Delaware Corporation
9401 Indian Creek Parkway
Overland Park, Kansas 66210.

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RIDER, BENNETT, EGAN & ARUNDEL

Ms. Mildred Lee
Page Two
November 16, 1989

A description of the equipment covered by the document is as follows:

10 GP18-CK Class Generation II Locomotives with Caterpillar 3516 Diesel engines bearing road numbers CZK2000 through 2010, exclusive of 2006. Said locomotives may bear the identifying initials "BN" of the Burlington Northern Railroad.

A fee of \$13.00 is enclosed representing your filing fee. Please return the original indicating your date and time of filing in the enclosed, self-addressed, stamped envelope.


A short summary of the document to appear in the index follows.

Summary of document pursuant to 1177.4a:

The primary document is a Memorandum of Lease between Generation II Locomotives, a Minnesota Corporation, 901 West 94th Street, Minneapolis, Minnesota 55420 and Burlington Northern Railroad Company, a Delaware Corporation, 9401 Indian Creek Parkway, Overland Park, Kansas 66210 dated June 24, 1988 for a lease term to commence on or about July 14, 1989, and covering 10 GP18-CK Class Generation II Locomotives with new Caterpillar 3516 diesel engines, bearing road numbers CZK 2000 through 2010 exclusive of 2006.

Very truly yours,

RIDER, BENNETT, EGAN & ARUNDEL

By 
Frank B. Bennett

FBB/mp

cc: Mr. W. L. Hoeft
Mr. S. K. Erickson
Mr. D. R. Backstrom
Edward L. Bauer, Jr., Esq.
Associate General Counsel
Burlington Northern

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WRITER'S DIRECT DIAL NUMBER

340-8916

November 22, 1989

Ms. Mildred Lee -- Room 2303
Interstate Commerce Commission
12th and Constitution N.W.
Washington, D.C. 20423

RE: Generation II Locomotives
Our File No. 5091/103

Dear Ms. Lee:

Pursuant to your request, I am enclosing our firm's check in the amount of \$2.00 representing the additional filing fee required to file the Memorandum of Lease which was sent to your office November 16, 1989. Thank you for your assistance.

Very truly yours,

RIDER, BENNETT, EGAN & ARUNDEL

By Marlene Parker
Marlene Parker, secretary to
Frank B. Bennett

mp

Interstate Commerce Commission

Washington, D.C. 20423

12/1/89

OFFICE OF THE SECRETARY

Frank B. Bennett
Rider, Bennett, Egan & Arundel
2000 Lincoln Center
333 South Seventh Street
Minneapolis, Minnesota 55402

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/27/89 at 11:50am, and assigned recordation number(s). 16626

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

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INTERSTATE COMMERCE COMMISSION

MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE, is made and entered into as of this 14th day of July, 1989, by and between Generation II Locomotives, Inc., a Minnesota corporation ("Gen-II"), and Burlington Northern Railroad Company, a Delaware corporation, ("BN") in accordance with the terms of that certain agreement and lease dated June 24, 1988 (the "Lease") between Gen II as lessor and BN as lessee.

The parties hereto hereby agrees as follows:

? 1. Grant of Lease and Term. For good and adequate consideration and subject to the terms and conditions of the Lease, Gen II, who is the owner of and will continue to retain ownership of the locomotive units described in Annex A hereto bearing the road numbers 2000 through 2010 exclusive of 2006 (the "Equipment"), hereby leases to BN, the Equipment, to be used by BN in its railroad transportation services pursuant to the Lease, for a term to begin upon delivery of the Equipment to BN which date is anticipated to be on or before May 1, 1989, and expiring on that date which is fifteen (15) years after the the Lease Commencement Date as defined in the Lease, unless certain termination or purchase options set forth in the Lease are exercised.

2. Restrictions On Sub-letting. BN may not sub-lease any of the Equipment during the Interim Lease Term and the first thirty-six (36) months of the Lease Term, as defined in the Lease, without the express written consent of Gen II. After said thirty-six month term, as defined in the Lease, BN may sub-lease some or all of the Equipment but only upon the terms and conditions set forth in the Lease.

3. BN's Options. BN may at its option purchase the Equipment at the times and pursuant to the terms set forth in the Lease.

4. Summary of terms. This Memorandum of Lease is not a complete summary of the Lease. Reference is made thereto for a complete statement of the terms and conditions of the Lease and of the options and rights referred to herein. In the event of any inconsistency between this Memorandum of Lease and the Lease, the Lease shall govern. The parties agree that this Memorandum of Lease may be filed for the purposes of protecting the rights of the parties hereto pursuant to 49 U.S.C. § 11303 and Section 86 of the Railway Act of Canada.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Lease to be executed by their duly authorized representatives as of the date first above written.

GENERATION II LOCOMOTIVES, INC.

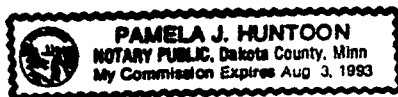
By Wm. L. Hoeft Wm. L. Hoeft
Its President, CEO

BURLINGTON NORTHERN RAILROAD

By Edward L. Bowers
Its Superintendent

STATE OF MINNESOTA)) ss
COUNTY OF HENNEPIN)

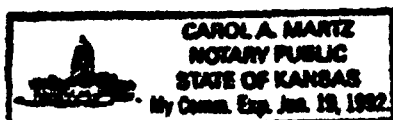
On this 8th day of September, 1989, before me personally appeared Wm. L. Hoeft, to me personally known, who, being by me duly sworn, says that he is the President, CEO of GENERATION II, LOCOMOTIVES, INC., that said instrument was executed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Pamela J. Shpton
Notary Public

STATE OF KANSAS)
COUNTY OF JOHNSON) ss

On this 30th day of October, 1989, before me personally appeared Edward J. Bauer to me personally known, who, being by me duly sworn, says that he is the System Chief Mechanical Officer of BURLINGTON NORTHERN RAILROAD COMPANY, that said instrument was executed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Carol A. Hartz
Notary Public